

RALEIGH-DURHAM AIRPORT AUTHORITY

MINUTES

June 19, 2003

Chairman Clancy presided. Present: Members Sanders; Teer; Toler; Weeks; Winston and Zaytoun. Absent: Member Gibbs. Also present: Airport Director Brantley; Deputy Director, Operations Shackelford; Deputy Director, Facilities Engineering & Maintenance Pittman; Major Capital Improvements Program Director Powell; Customer Service & Organizational Support Director Damiano; Deputy Director, Finance Business & Administration Gill; Director of Administration Umphrey; Finance Director Barritt; Parking Director Scialdone; Facilities Engineering Manager Jewett; Properties & Insurance Officer Quinn; Communications Manager Hamlin; Law Enforcement Manager Waters; Assistant Law Enforcement Manager Tippet; Operations Manager Nelson; Parking Administration Manager Slayton; Communications Specialist Dunton; Business Development Officer Hairston; Purchasing Assistant Breen; Ground Transportation Coordinator Nye; Emergency Services Manager Thompson; Information Technology Manager Schiller; Network Administrator King; Accounting Technician Sams; Customer Relations Supervisor Kawiecki; Maintenance Manager Fulp; DBE Program Officer Moorman; GIS Manager Dana; Administrative Assistant Weiss and Executive Assistant Mitchell.

Guests: Joe Huegy, Triangle Transit Authority; Mark Boggs, Post, Buckley, Schuh & Jernigan; Jerry Corthell, Parsons Transportation Group; Howard Harmon, The Paradies Shops; Mark Latu, AmeriSuites; Rev. Dennis Stiles; Mohamed Cali, taxi driver; and Vicki Hyman, The News & Observer.

APPROVAL OF AGENDA – There were no changes to the agenda, and it was approved as submitted.

APPROVAL OF MINUTES – There were no changes to the minutes of the May 15, 2003 meeting, and they were approved as submitted.

CHAIRMAN’S COMMENTS – Chairman Clancy had no comments at this time.

TAXICAB OVERSIGHT COMMITTEE REPORT – Member Toler reported the Committee met on June 11, 2003 to hear public comments regarding the transition from the former taxi operating structure to the current Taxi Stand Manager system. The Committee was formed to attempt to ensure a smooth transition from the former structure to the new system and to address any issues arising out of the transition. There were nineteen speakers, many of whom were taxicab owner/operators and drivers residing in Durham. The majority of the comments, particularly from the drivers, were very positive and provided good feedback. Staff is working with Dulles Airport Taxi to address concerns regarding the application and qualification process for drivers seeking to own or lease an Airport-licensed cab and the procedures for pre-arranged trips involving off-Airport cabs. Co-Chairman Zaytoun said he was pleased that Dulles management offered to meet with any driver who was not accepted into the new system and tell them why they were not accepted. Member Sanders said he had a clear sense that Authority members, staff and all third parties involved had been fair in implementing the new system. Member Toler said that the most of the speakers appeared happy with the new system. The Authority is moving towards resolution of the issues and hopes that all stakeholders will have a positive outcome. Members Teer and Sanders reviewed several of the application files to check for completeness, integrity and fair process. Member Teer said the Authority was doing a diligent job. Member Toler said he had received more compliments on the taxicab service in the last few months than in his four previous years as an Authority member. He said the Authority continues to be very sensitive to customer service and fairness issues and

will continue to pursue and work through any transition matters that may arise. He appreciated the comments and the involvement of the other Authority members.

The Authority received the report, and no action was taken.

LAND & DEVELOPMENT COMMITTEE REPORT – Member Teer reported the Committee met on June 19, 2003 and discussed the following item:

1. Report on staff discussions with the Trust for Public Land concerning possible acquisition by the Authority of up to 12 acres of land west of Sycamore Creek currently owned by the Eure Estate. Senior Program Manager Edmondson reported he recently met with a representative of the Trust for Public Land and was advised the Trust has a fixed price option to purchase approximately 160 acres of land adjoining the Airport from the Eure family and the Angus Barn Ltd. The property adjoins land owned by the Airport Authority, Umstead State Park and the Angus Barn restaurant. The Trust is an intermediary seeking to acquire the property in order to assist the State of North Carolina in adding such of the land as it desires to Umstead State Park. The Trust has indicated that it intends to sell a strip of the land that fronts on US 70 for commercial development. The Trust has offered to sell to the Authority 12.167 acres of the land it proposes to acquire lying west of Sycamore Creek for \$912,500. This tract has approximately 300 feet of road frontage on Lumley Road and adjoins land owned by the Authority. The tract is irregular in shape and includes about 2 acres of flood land and/or Neuse River buffer rules impacted area. The Trust has also offered to sell to the Authority an aviation easement over the remainder of the land for \$1,428,500. The property is within the City of Raleigh's Airport Overlay District; therefore, development of noise-sensitive uses such as residential units and places of public assembly thereon is prohibited. As that is the case and as aircraft have been overflying the property at relatively low altitude and creating noise for six decades, purchasing the aviation easement would be unwise since doing so would establish an unwarranted precedent. Senior Program Manager Edmondson advised that the Trust was seeking an early response from the Authority in order that it might determine what it would have to seek from the State for the property in which the State is interested. Staff believes that it likely would be advisable for the Authority to acquire at least some of the 12.167 acres of land, but the Authority should be very careful not to overpay for any land it elects to purchase. The Committee requested that staff obtain an appraisal of the 12.167 acres of property and report back to the Committee with a recommendation at a later date.

The Authority received the report, and no action was taken.

PRESENTATION – Major Capital Improvements Program Director Powell introduced Mark Boggs, Post, Buckley, Schuh & Jernigan's (PBS&J) project manager for the Airport-Rail Link Study (ARLS). Authority members were provided an Executive Summary outlining the Summary of Findings, and a PowerPoint presentation was made. The Airport-Rail Link Study was conducted to identify technology and alignment options to link Raleigh-Durham International Airport with the Triangle Transit Authority's (TTA) proposed regional rail system and to assess the feasibility of those options. The study identified needed service characteristics of the link and appropriate technologies to address those characteristics, estimated cost and ridership potential, and evaluated options against a set of service objectives, leading to recommendations for implementation of an airport-to-rail link service. The study area is roughly defined

as the area bound by T.W. Alexander Drive on the north, RDU and Lake Crabtree on the east, Weston Parkway on the south, and Davis Drive on the west.

An eight-member Steering Committee was formed to guide the development of the study. The Committee was comprised of four board members from the Airport Authority and four from the TTA Board of Trustees. The Committee met on three occasions to develop study goals and objectives, to define Airport Rail Link alternatives, and to evaluate the alternatives and draw conclusions.

At the outset of the study, existing and expected conditions within the study area were evaluated in order to identify the need for a link and the purposes it might service. The Steering Committee identified the following needs: (i) decrease traffic congestion on roadways near RDU, particularly I-40; (ii) provide more efficient travel to RDU; (iii) improve satisfaction, reliability and convenience of travel to/from RDU; (iv) improve area desirability and competitiveness for economic development purposes; (v) serve nearby development; (vi) maximize the ease of the use of the system; and (vii) provide connectivity to intercity rail. To evaluate the effectiveness of potential alternatives, a series of service objectives were developed. Three candidate corridors were identified to satisfy the study objectives as follows: I-40 Corridor; Nelson Road Corridor and Northeast Quadrant corridor. Technology options also were considered, including bus rapid transit; guided or advanced bus; automated people mover; monorail and light rail. Three alignment-technology alternatives were identified for further analysis: I-40 Bus Rapid Transit (BRT); I-40 Fixed Guideway and NE Quadrant Fixed Guideway. For comparative purposes, a No-Build alternative, reflecting existing TTA shuttle service to the Airport, also was evaluated.

The ridership analysis undertaken for the study was based on population and employment data for development in the RDU area. The general finding of the study is that there is insufficient time, funding and ridership available or expected in the near future to warrant construction of a fixed guideway facility to link the regional rail with RDU.

Several major conclusions of the study were noted: a more aggressive marketing campaign for the existing service is needed; the need for a reliable, high quality transit link from regional rail to RDU was affirmed; and key decision points for selecting alignment and technologies need to be identified. Based on these reasons, it is reasonable to conclude that many decisions can be delayed until a later time without compromising the ability to implement a fixed guideway system.

The Authority received the report, and no action was taken.

MEMORANDUM OF UNDERSTANDING – Major Capital Improvements Program Director Powell presented a proposed Memorandum of Understanding with the Triangle Transit Authority. At the last Steering Committee meeting, its members asked that a document be prepared that incorporates the conclusions of the Airport-Rail Link Study. Staff recommended adoption of the Memorandum of Understanding and requested that staff be authorized to make any minor final revisions after the TTA has made its final comments.

Member Teer made a motion, seconded by Member Zaytoun, to adopt the Memorandum of Understanding with the Triangle Transit Authority and to authorize staff to make any minor final revisions that may be needed after the TTA makes its final comments. Adopted.

GRANT OFFER – At the December 19, 2002 meeting of the Authority, a resolution was adopted authorizing staff to submit an application to the Federal Aviation Administration to obtain an Airport Improvement Program grant in an amount not to exceed \$15,450,000 for construction of Phase 3 of the North Ramp General Aviation Area Redevelopment project. Following receipt of bids and Board approval on February 20, 2003 of a contract with the low bidder, staff prepared and submitted to the FAA a Project Application in the amount of \$12,781,671. In response to the pre-application submitted by staff for funds to be applied to security fencing of the east side of the Airport, the FAA included \$375,000 in the Grant Offer for a total grant amount of \$13,156,671. The Cities of Raleigh and Durham and the Counties of Wake and Durham are required to accept the Grant in addition to the Authority. In order to facilitate timely execution of the Grant, staff has already contacted the Boards of the four governing bodies to seek acceptance of the Grant. The Cities of Raleigh and Durham and Wake County have already taken affirmative action, and Durham County is expected to do likewise. Staff recommended accepting the Grant Offer of Airport Improvement Program funds in the amount of \$13,156,671 from the Federal Aviation Administration for Phase 3 of the North Ramp General Aviation Area Redevelopment Project, RDU #080333, and for Airport Perimeter Security Fencing, RDU #080459.

Member Teer made a motion, seconded by Member Zaytoun, to accept the Federal Aviation Administration Grant Offer of Airport Improvement Program funds in the amount of \$13,156,671 for Phase 3 of the North Ramp General Aviation Area Redevelopment Project, RDU #080333, and for Airport Perimeter Security Fencing, RDU #080459. Adopted.

UPDATE – Major Capital Improvements Program Director Powell reported on the direction of the Terminal C renovation and expansion project. At last month's meeting, the Authority provided staff with some direction with respect to the priority of facility improvements and a target cost range of \$350 million. Staff and consultants have discussed extensively the cost estimates for the proposed project. Staff recommended maintaining the integrity of the original plan developed during the Project Definition phase, stating that it is a very good plan and should not be modified to any great extent. Staff recommended implementing only parts of the plan, or scaling back the project, rather than starting over with an entirely new plan. The end product should be one that hasn't been corrupted or made difficult to add onto in the future. Staff plans to report on alternatives and estimated costs at next month's meeting.

The Authority received the report, and no action was taken.

MEMBER COMMENTS/REPORTS – Deputy Director, Operations Shackelford will retire from the Authority on June 20, 2003 and begin work as the Airport Director at Baghdad International Airport soon thereafter. Member Teer wished Mr. Shackelford all the best in his new adventure. Member Teer asked the Airport Director to prepare a Resolution for Mr. Shackelford similar to the ones that are presented to retiring Authority members.

Member Weeks asked Mr. Shackelford to send pictures after he was settled in Baghdad.

Member Winston said Mr. Shackelford had done a great job and that the Airport would certainly miss him.

Chairman Clancy said things would be different around the Airport and asked that Mr. Shackelford keep in touch.

Member Toler complimented Mr. Shackelford on the way he had embraced customer service issues. He

wished him well.

Member Sanders said he appreciated Mr. Shackelford's friendship and kindness towards him when he first became an Authority member. He told Mr. Shackelford he would be missed, to remain safe and keep in touch.

Member Zaytoun wished Mr. Shackelford good luck. He also thanked Customer Service & Organizational Support Director Damiano for her recent presentation to a group of area businessmen on his behalf and said he very much appreciated her help.

Mr. Shackelford said he very much appreciated what had been said today and that it was very meaningful to him. The Raleigh-Durham community is a wonderful, vibrant community, and he has considered it home for 16 years and will continue to do so. He said he loves the community. RDU is a great airport because it has great people, whether they are Authority staff, airline staff or taxicab staff. He is pleased and proud to have been a part of RDU.

GENERAL COUNSEL'S REPORT – Attorney Tatum was not present at the meeting.

AIRPORT DIRECTOR'S REPORT –

- Airport Director Brantley reported that former long-time Eastern Airlines station manager James Woods Goodwin died on June 10, 2003. He was 93 years old. He was a cornerstone of the Airport, having been the first airline station manager at RDU. He retired after serving 40 years with Eastern Airlines, the first airline to serve the Triangle area.
- The Authority meeting notices and agendas hereafter will be posted on the Authority's website www.rdu.com. All recipients on the notification list will receive an email notifying them that the notice and agenda have been posted on the website. The Authority members will continue to receive the meeting packages electronically and by mail. These measures will help reduce postage costs and provide more efficient notice of meetings.
- The reduction in mainline carrier flights and the transition to regional jet flights meant the loss of 90,000 available airline seats at RDU in May 2003 versus May 2002. The significant decrease in passenger boardings and deplanements in May 2003 versus May 2002 appears to be primarily due to lack of available seats.
- Enplaned passengers for May 2003 totaled 345,973 versus 402,223 for May 2002 for a 14.0% decrease. Year-to-date 2003 enplaned passengers totaled 1,526,534 versus 1,709,095 for year-to-date 2002 for a 10.7% decrease.
- Deplaned passengers for May 2003 totaled 342,356 versus 396,432 for May 2002 for a 13.7% decrease. Year-to-date 2003 deplaned passengers totaled 1,538,847 versus 1,714,089 for year-to-date 2002 for a 10.2% decrease.
- Enplaned air cargo for May 2003 totaled 7,620,052 pounds versus 8,359,211 pounds for May 2002

for an 8.9% decrease. Year-to-date 2003 enplaned air cargo totaled 37,468,214 versus 40,819,654 for year-to-date 2002 for an 8.2% decrease.

- Deplaned air cargo for May 2003 totaled 9,625,783 pounds versus 10,908,540 pounds for May 2002 for an 11.8% decrease. Year-to-date 2003 deplaned air cargo totaled 49,181,744 versus 50,627,612 for year-to-date 2002 for a 2.9% decrease.
- Weekday scheduled flight departures for May 2003 totaled 218 versus 231 for May 2002 for a 5.6% decrease.
- Aircraft operations for May 2003 totaled 18,992 versus 21,990 for May 2002 for a 13.6% decrease. Year-to-date 2003 aircraft operations totaled 90,231 versus 102,261 for year-to-date 2002 for an 11.8% decrease.
- The number of vehicles exiting the terminal area public parking lots during May 2003 totaled 163,647 versus 177,501 for May 2002 for a 7.8% decrease. Year-to-date 2003 number of vehicles exiting the terminal area public parking lots totaled 724,508 versus 773,083 for year-to-date 2002 for a 6.3% decrease.
- The number of taxicab trips taken during May 2003 totaled 12,951 versus 11,937 during May 2002 for an 8.5% increase. The year-to-date 2003 number of taxicab trips totaled 58,840 versus 58,890 for year-to-date 2002 for a 0.1% decrease.
- Airline average load factors for May were very high. All major carriers except Air Canada reported load factors over 70%.
- RDU hosted its annual auction of surplus items on June 14, 2003 at the Maintenance Facility. Items available for purchase included lost and found items, abandoned vehicles, old taxicabs and miscellaneous items being disposed of by the airlines. Total proceeds from the auction totaled about \$70,000. Any proceeds obtained for abandoned vehicles over and above what is owed for parking is escheated to the State of North Carolina. Some items were sold to junkyards. Purchasing Officer Thompson and Maintenance Manager Fulp and their staff were instrumental in organizing the auction.
- Anton Airfood recently received a Wake County Health Department inspection grade of C at the Carolina Food Court in Terminal A. Very little to none of the issues were related to food handling, but rather to housekeeping issues. All items noted were promptly corrected. The inspection was conducted on Friday, and the facility was reinspected the following Monday and received a rating of Grade A. Staff communicated with Anton's executive management that such incidents were unacceptable and made it clear that if there was a reoccurrence, the business would be closed and Anton would be declared to be in default of its concession agreement. Anton executive management assured staff this would not occur again. Anton's RDU general manager has had to handle many jobs at once because of limited staffing, and perhaps was unaware of the problems. Staff suggested to Anton's executive management that an operating manager be employed to assist the general manager in day-to-day operations, and staff believes that is being done.

- The Congress currently is preparing to conference on the new Federal Aviation Administration Reauthorization Bill. The current Airport Improvement Program authorization expires on September 30, 2003. This year, unlike in the past, the Congress has addressed the situation early on. Both Congress and the Senate have passed somewhat different bills that now go to conference. Very good provisions have been incorporated in the bills with an increase in dollars authorized. The grant presented today uses all of RDU's entitlement monies through the current federal fiscal year that ends September 30.
- The preconditioned air system in Terminal C has stopped working. To repair it is estimated to cost about \$10,000. This is just another example in a long list of things that have malfunctioned since the Authority acquired American Airlines' lease on Terminal C a year ago. The system will be repaired as economically as possible but not totally rebuilt.
- Charles Hayes, CEO of the Research Triangle Regional Partnership (RTRP), has approached the Authority and asked if it would be willing to grant a reduction in or eliminate the RTRP's current rent. RTRP has been a tenant in the RDU Center for nearly five years. With North Carolina's budget crises, the legislature is going to appropriate fewer funds to the regional economic development agencies than in the past. Mr. Hayes' board of directors is seeking to increase the proportion of its budget funded by private resources and to decrease the proportion that is funded by public resources, thereby weaning the organization from public funding as much as possible. Airport Director Brantley does not recommend granting rent-free space to any tenant on the Airport. RTRP's original rent was based on the cost of the RDU Center as related to the space it occupies. Member Teer recommended reducing RTRP's rent by excluding any depreciation recovery. Member Winston did not recommend eliminating rents altogether, but agreed with granting a discount. Staff will review the matter and report back at a later date.
- Customer Service & Organizational Support Director Damiano reported on the results of the most recent mystery-shopping project, which has been ongoing since last December. There were 265 different visits in seven different service areas. Of those service areas, 91.8% were meeting the expected standards. Better customer interaction, specifically, greeting customers, is needed in all venues. Taxicabs will be added to the next round of mystery shopping. The majority of the comments received were more operational in nature, including requests for more food pre-security, a USO club, more signing and better baggage services. Compliments in May were very positive towards the taxicab service. This information was shared with the business partners and used as a feedback mechanism, and has been incorporated into the Authority's customer service training.
- Chairman Clancy advised that this year's Annual Conference of the Airports Council International-North America will be in Tampa, Florida from September 14-17, 2003. Information can be obtained via www.aci-na.org. He said the conference is always very good, and he encouraged the members who can do so to attend.

ADJOURNMENT - There being no further business, Chairman Clancy adjourned the meeting.

Respectfully submitted,

Stephen K. Zaytoun, Secretary

CORRECT ATTEST:

David T. Clancy, Chairman